

SECOND REGULAR SESSION

HOUSE BILL NO. 1807

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HOPPE.

Read 1st time February 5, 2002, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

3896L.011

AN ACT

To repeal sections 204.250, 204.251, 204.252, 204.253, 204.254, 204.255, 204.256, 204.257, 204.260, 204.270, 204.280, 204.310, 204.331, 204.332, 204.350, 204.360, 204.440, 204.450, 204.455, 204.565, 204.567, 204.569, 204.571, 204.573, 393.015 and 393.847, RSMo, and to enact in lieu thereof twenty-four new sections relating to sewer districts.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 204.250, 204.251, 204.252, 204.253, 204.254, 204.255, 204.256, 204.257, 204.260, 204.270, 204.280, 204.310, 204.331, 204.332, 204.350, 204.360, 204.440, 204.450, 204.455, 204.565, 204.567, 204.569, 204.571, 204.573, 393.015, and 393.847, RSMo, are repealed and twenty-four new sections enacted in lieu thereof, to be known as sections 204.250, 204.350, 204.360, 204.450, 204.455, 393.015, 393.847, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17, to read as follows:

204.250. 1. [If the construction and maintenance of a common system of trunk sewers and sewage treatment plants is necessary to secure proper sanitary conditions for the preservation of public health in a natural drainage area the major portion of which lies within a county of the first class containing all or part of a city having a population of four hundred fifty thousand or more, or in a county of the first class not having a charter form of government, or in a county of the second, third or fourth class, and which natural drainage area contains all or portions of several drainage basins, several municipalities or sewer districts, and if a common sewer district encompassing the entire area would be eligible for federal aid and assistance under the provisions of Title 33, Section 1151 et seq. of the United States Code Annotated, as now or as may hereafter be amended, the area may be established and incorporated as a common sewer

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

11 district under sections 204.250 to 204.470 in the following manner: The county commission,
12 or in charter counties, the county executive with the concurrence by resolution of the county
13 legislature, of the county within which the major portion of the area lies may petition the circuit
14 court having jurisdiction over the major portion for the appointment of commissioners as herein
15 provided, and to take further action as may be necessary for the submission to the legal voters
16 residing in the area of the question whether the area shall be organized and incorporated as a
17 common sewer district under sections 204.250 to 204.470.

18 2. The petition shall set forth a description in general terms of the territory to be
19 embraced in, suggest a name for the proposed common sewer district and state the aim and
20 purposes for which the district is created.

21 3. Notwithstanding any provisions of law to the contrary, if a sanitary sewage disposal
22 or treatment system is necessary for any number of buildings used solely or primarily for
23 residential or commercial purposes which are situated in such geographical proximity and
24 manner to one another that the creation of a sewage disposal or treatment system is feasible, and
25 such buildings are situated in or are in geographical proximity to an existing common sewer
26 district formed pursuant to this chapter, and if sanitary sewage disposal or treatment services are
27 not otherwise available for service to such buildings, regardless of whether the buildings lie in
28 a natural drainage area or natural drainage basin, such area may be established as a common
29 sewer subdistrict of an existing common sewer district formed pursuant to the provisions of this
30 chapter by complying with the procedures set forth in subsections 4 to 7 of this section.

31 4. The circuit court of the circuit proposing to create a sewer subdistrict pursuant to
32 subsection 3 of this section may, by order of the court, for good cause shown, submit the
33 question of creating such subdistrict to all owners of record of all real property within such
34 proposed subdistrict at a general or special election called for that purpose. Such order shall set
35 forth the project name for the proposed subdistrict, the general nature of the proposed subdistrict,
36 the estimated cost of the sewer improvements for such subdistrict, the boundaries of the
37 proposed subdistrict to be assessed for sewer improvements, and the proposed method or
38 methods of assessment. The court may thereafter create a sewer subdistrict of an existing
39 common sewer district formed pursuant to this chapter when the question of creating such
40 subdistrict has been approved by the vote of the percentage of electors within such subdistrict
41 voting thereon that is equal to the percentage of voter approval required for the issuance of
42 general obligation bonds of the city or county wherein such subdistrict is located under article
43 VI, section 26 of the constitution of this state. The notice of election containing the question of
44 creating a sewer subdistrict shall contain the project name for the proposed subdistrict, the
45 general nature of the proposed subdistrict, the estimated cost of the sewer improvements for such
46 subdistrict, the boundaries of the proposed subdistrict to be assessed for sewer improvements,
47 the proposed method or methods of assessment, and a statement that the final cost of such sewer

48 improvements assessed against property within the subdistrict and the amount of general
49 obligation bonds issued therefor shall not exceed the estimated cost of such sewer improvements,
50 as stated in such notice, by more than twenty-five percent. The ballot upon which the question
51 of creating a sewer subdistrict is submitted to the qualified voters residing within the proposed
52 subdistrict shall contain a question in substantially the following form:

53 Shall the Circuit Court be authorized to create a sewer subdistrict proposed for the
54 (common sewer district name) and authorize the common sewer district to incur
55 indebtedness and issue general obligation bonds to pay for all or part of the cost of the creation
56 and maintenance of such subdistrict, the cost of all indebtedness so incurred to be assessed by
57 the (common sewer district name) on the property within the subdistrict?

58 5. As an alternative to the procedure described in subsection 4 of this section, the circuit
59 court of the circuit may create such a sewer subdistrict when a proper petition has been signed
60 by the owners of record of at least two-thirds by area of all real property located within such
61 proposed subdistrict. The petition, in order to become effective, shall be filed with the circuit
62 court. A proper petition for the creation of a sewer subdistrict shall set forth the proposed
63 subdistrict name, the general nature of the proposed subdistrict, the estimated cost of the sewer
64 improvements for such subdistrict, the boundaries of the proposed subdistrict to be assessed for
65 sewer improvements, the proposed method or methods of assessment, a notice that the names
66 of the signers may not be withdrawn later than seven days after the petition is filed with the
67 court, and a notice that the final cost of such assessments against property within the subdistrict
68 and the amount of general obligation bonds issued therefor shall not exceed the estimated cost
69 of sewer improvements, as stated in such petition, by more than twenty-five percent.

70 6. Upon receiving the requisite voter approval at an election or upon the filing of a
71 proper petition with the court, the court may by order determine the advisability of the subdistrict
72 and may order that the subdistrict be established and that preliminary plans and specifications
73 for the subdistrict be made. Such order shall state and make findings as to the subdistrict name,
74 the nature of the subdistrict, the estimated cost of the sewer improvements for such subdistrict,
75 the boundaries of the subdistrict to be assessed for sewer improvements, the proposed method
76 or methods of assessment, and shall also state that the final cost of such assessments against the
77 property within the subdistrict and the amount of general obligation bonds issued therefor shall
78 not, without a new election or petition, exceed the estimated cost of such sewer improvements
79 by more than twenty-five percent.

80 7. The boundaries of the proposed subdistrict shall be described by metes and bounds,
81 streets or other sufficiently specific description. The area of the subdistrict finally determined
82 to be assessed may be less than, but shall not exceed, the total area comprising such district.]

83 **Proceedings for the formation of a common sewer district shall be substantially as follows:**
84 **a petition in duplicate describing the proposed boundaries of the district sought to be**

85 formed, accompanied by a plat of the proposed district, shall be filed with the clerk of the
86 circuit court of the county wherein the proposed district is situated or with the clerk of the
87 circuit court of the county having the largest acreage proposed to be included in the
88 proposed district, in the event that the proposed district embraces lands in more than one
89 county. Such petition, in addition to such boundary description, shall set forth an estimate
90 of the number of customers of the proposed district, the necessity for the formation of the
91 district, the probable cost of the improvement, an approximation of the assessed valuation
92 of taxable property within the district and such other information as may be useful to the
93 court in determining whether or not the petition should be granted and a decree of
94 incorporation entered. Such petition shall be accompanied by a cash deposit of fifty dollars
95 as an advancement of the costs of the proceeding, and the petition shall be signed by not
96 less than fifty voters within the proposed district and shall pray for the incorporation of
97 the territory therein described into a common sewer district. The petition shall be verified
98 by at least one of the signers thereof.

99 2. Upon the filing of the petition, the same shall be presented to the circuit court,
100 and such court shall fix a date for a hearing on such petition, as herein provided for.
101 Thereupon the clerk of the court shall give notice of the filing of the petition in some
102 newspaper of general circulation in the county in which the proceedings are pending, and
103 if the district extends into any other county or counties, such notice shall also be published
104 in some newspaper of general circulation in such other county or counties. The notice shall
105 contain a description of the proposed boundary lines of the district and the general
106 purposes of the petition, and shall set forth the date fixed for the hearing on the petition,
107 which shall not be less than fifteen nor more than twenty-one days after the date of the last
108 publication of the notice and shall be on some regular judicial day of the court wherein the
109 petition is pending. Such notice shall be signed by the clerk of the circuit court and shall
110 be published in three successive issues of a weekly newspaper or in twenty successive issues
111 of a daily newspaper.

112 3. The court, for good cause shown, may continue the case or the hearing thereon
113 from time to time until final disposition thereof.

114 4. Exceptions to the formation of a district, or to the boundaries outlined in the
115 petition for the incorporation thereof, may be made by any voter of the proposed district;
116 provided, such exceptions are filed not less than five days prior to the date set for the
117 hearing on the petition. Such exceptions shall specify the grounds upon which the
118 exceptions are being made. If any such exceptions be filed, the court shall take them into
119 consideration in passing upon the petition and shall also consider the evidence in support
120 of the petition and in support of the exceptions made. Should the court find that the
121 petition should be granted but that changes should be made in the boundary lines, it shall

122 make such changes in the boundary lines as set forth in the petition as the court may deem
123 proper, and thereupon enter its decree of incorporation, with such boundaries as changed.

124 5. Should the court find that it would not be to the public interest to form such a
125 district, the petition shall be dismissed at the costs of the petitioners. If, however, the court
126 should find in favor of the formation of such district, the court shall enter its decree of
127 incorporation, setting forth the boundaries of the proposed district as determined by the
128 court pursuant to the hearing. The decree shall further contain an appointment of five
129 voters from the district, to constitute the first board of directors of the district. The court
130 shall designate such directors to staggered terms from one to five years such that one
131 director is appointed or elected each year. The directors thus appointed by the court shall
132 serve for the terms thus designated and until their successors shall have been appointed or
133 elected as herein provided. The decree shall further designate the name of the district by
134 which it shall be officially known.

135 6. The decree of incorporation shall not become final and conclusive until it shall
136 have been submitted to the voters residing within the boundaries described in such decree
137 and until it shall have been assented to by a majority of the voters as provided in
138 subsection 9 of this section or by two-thirds of the voters of the district voting on the
139 proposition. The decree shall provide for the submission of the question and shall fix the
140 date thereof. The returns shall be certified by the judges and clerks of election to the
141 circuit court having jurisdiction in the case and the court shall thereupon enter its order
142 canvassing the returns and declaring the result of such election.

143 7. If, upon canvass and declaration, it is found and determined that the question
144 shall have been assented to by a majority of two-thirds of the voters of the district voting
145 on such proposition, then the court shall, in such order declaring the result of the election,
146 enter a further order declaring the decree of incorporation to be final and conclusive. In
147 the event, however, that the court should find that the question had not been assented to
148 by the majority required above, the court shall enter a further order declaring such decree
149 of incorporation to be void and of no effect. No appeal shall lie from any such decree of
150 incorporation nor from any of the aforesaid orders. In the event that the court declares
151 the decree of incorporation to be final, as herein provided for, the clerk of the circuit court
152 shall file certified copies of such decree of incorporation and of such final order with the
153 secretary of state of the state of Missouri, and with the recorder of deeds of the county or
154 counties in which the district is situated and with the clerk of the county commission of the
155 county or counties in which the district is situated.

156 8. The costs incurred in the formation of the district shall be taxed to the district,
157 if the district be incorporated otherwise against the petitioners.

158 9. If petitioners seeking formation of a common sewer district specify in their

159 **petition that the district to be organized shall be organized without authority to issue**
160 **general obligation bonds, then the decrees relating to the formation of the district shall**
161 **recite that the district shall not have authority to issue general obligation bonds and the**
162 **vote required for such a decree of incorporation to become final and conclusive shall be a**
163 **simple majority of the voters of the district voting on such proposition.**

204.350. 1. The board of trustees for the district shall let contracts for all work to be
2 done, excepting in case of repairs or emergencies requiring prompt attention, in the construction
3 of trunk sewers and sewage treatment plants under the authority of sections 204.250 to 204.470
4 **and sections 1 to 17 of this act**, the expense of which will exceed [five hundred] **twenty-five**
5 **thousand** dollars, to the lowest responsible bidder therefor, upon not less than twenty days'
6 notice of the letting, given by publication in a newspaper of general circulation in the district,
7 and in the discretion of the board, in one or more newspapers of general circulation among
8 contractors. The board shall have the power and authority to reject any and all bids and
9 readvertise the work.

10 2. The board of trustees[, subject to the concurrence of the advisory board established
11 by sections 204.250 to 204.470,] shall also have the power to enter into agreements with persons,
12 firms or corporations [of known standing and competence for the execution and preparation of
13 the surveys, maps and plans needed and required by the board, and also for the laying out and
14 superintendence of work to be constructed under the authority of sections 204.250 to 204.470,
15 but no single agreement so made shall cover more than one piece or class of work] **providing**
16 **professional services required of the board and the board shall adopt policies for procuring**
17 **the services of such professionals. The provisions of sections 8.285 to 8.291, RSMo, shall**
18 **be applicable to the services of architects, engineers and land surveyors unless the board**
19 **of trustees adopts a formal procedure for the procurement of such services.**

204.360. The cost of any common sewer district of acquiring, constructing, improving
2 or extending a sewerage system may be met:

3 (1) Through the expenditures by the sewer district of any funds available for that
4 purpose, **including temporary or interim financing funds obtained through any federal or**
5 **state loan program or from a local lending institution;**

6 (2) From any other funds which may be obtained under any law of the state or of the
7 United States or from any county or municipality for that purpose; or

8 (3) From the proceeds of revenue bonds of the common sewer district, payable solely
9 from the revenues to be derived from the operation of such sewerage system or from any
10 combination of all the methods of providing funds.

204.450. If, after the preparation of a plan for a **sanitary sewer** system [of trunk sewers
2 and treatment facilities], the voters of the common sewer district defeat the proposition for the
3 issuance of revenue bonds to fund the construction of the system, the board of trustees may levy

4 and assess upon all real property within the district a special tax at such rate as shall be necessary
5 to pay the cost incurred in the proceedings incorporating the district, the preparation of the plan
6 for the [trunk sewer and treatment] **sanitary sewer** system, the conduct of the elections in the
7 district and the necessary expenses of the district from the time of its incorporation until the bond
8 election. The special tax shall be levied by the county commission, county commissions, or
9 county legislature and shall be collected and enforced by the same officers and in the same
10 manner as provided for state and county taxes. If the voters of the common sewer district defeat
11 a proposition for the issuance of revenue bonds, successive revenue bond issue elections may
12 be held and the same proposition or different propositions may be submitted to the voters in
13 accordance with section 204.370.

204.455. 1. Any user charges, connection fees, or other charges levied by the sewer
2 district shall be due at such time or times as specified by the board of trustees, and shall, if not
3 paid by the due date, become delinquent and shall bear interest from the date of delinquency until
4 paid. If such charges become delinquent they shall be a lien upon the land charged, upon the
5 board of trustees filing with the recorder of deeds in the county where the land is situated a
6 notice of delinquency. The board of trustees shall file with the recorder of deeds a similar notice
7 **of satisfaction of debt** when the delinquent amounts, plus interest and any recording fees or
8 attorneys' fees, have been paid in full. The lien hereby created may be enforced by suit [or
9 foreclosure] **in the circuit court having jurisdiction against the property subject to the lien**
10 **for judicial foreclosure and sale by special execution; such suit may include a request for**
11 **judgment against the persons responsible for payment of such delinquency as well as the**
12 **person or persons owning the property to which services were provided, if different,**
13 **including post-sale deficiency, and as a part of the relief, may include award of the**
14 **district's reasonable attorney's fees, court costs and other expenses reasonably incurred**
15 **by the district for collection.**

16 2. For purposes of this section, the term "board of trustees" shall include, but is not
17 limited to, the board of trustees established in subsection 2 of section 204.300.

393.015. 1. Notwithstanding any other provision of law to the contrary, any **water**
2 **corporation, municipality or public water supply district established pursuant to chapter**
3 **247, RSMo, must disconnect a customer's water service lines from the provider's water**
4 **service lines upon request from any** sewer corporation, municipality or sewer district
5 established [under] **pursuant to** the provisions of chapter 249 or 250, RSMo, or sections
6 204.250 to 204.470, RSMo, **or sections 1 to 17 of this act**, or any sewer district created and
7 organized pursuant to constitutional authority[, may contract with any water corporation,
8 municipality, or public water supply district established under chapter 247, RSMo, to terminate
9 water services to any customer premises for nonpayment of a sewer bill] **for nonpayment of a**
10 **sewer bill, and said water corporation, municipality or public water supply district must**

11 **comply with such request.** No such termination of water service may occur until thirty days
12 after the sewer corporation, municipality or statutory sewer district or sewer district created and
13 organized pursuant to constitutional authority sends a written notice to the customer by certified
14 mail, except that if the water corporation, municipality or public water supply district is
15 performing a combined water and sewer billing service for the sewer corporation, municipality
16 or sewer district, no additional notice or any additional waiting period shall be required other
17 than the notice and waiting period already used by the water corporation, municipality or public
18 water supply district to disconnect water service for nonpayment of the water bill. [Acting
19 pursuant to a contract,] The water corporation, municipality or public water supply district shall
20 discontinue water service until such time as the sewer charges and all related costs of termination
21 and reestablishment of sewer and water services, **including reconnection fees**, are paid by the
22 customer.

23 2. A water corporation, municipality, or public water supply district acting pursuant to
24 a [contract with] **request from** a sewer corporation, municipality or sewer district as provided
25 in subsection 1 of this section shall not be liable for damages related to termination of water
26 services [unless such damage is caused by the negligence of such water corporation,
27 municipality, or public water supply district, in which case the water corporation, municipality,
28 or public water supply district shall be indemnified by the sewer corporation, municipality or
29 sewer district. Unless otherwise specified in the contract,]. All costs related to the termination
30 and reestablishment of services by the water corporation, municipality or public water supply
31 district shall be reimbursed by the sewer corporation, municipality, sewer district or sewer
32 district created and organized pursuant to constitutional authority.

393.847. 1. Every nonprofit sewer company constructing, maintaining and operating
2 its wastewater lines and treatment facilities shall construct, maintain and operate such lines and
3 facilities in conformity with the rules and regulations relating to the manner and methods of
4 construction, maintenance and operation and as to safety of the public with other lines and
5 facilities now or hereafter from time to time prescribed by the department of natural resources
6 for the construction, maintenance and operation of such lines or systems. The jurisdiction,
7 supervision, powers and duties of the department of natural resources shall extend to every such
8 nonprofit sewer company [so far as it concerns the construction, maintenance and operation of
9 the physical equipment of such company to the extent of providing for the safety of employees
10 and the general public] **and every nonprofit sewer company shall be supervised and**
11 **regulated by the department of natural resources to the same extent and in the same**
12 **manner as any other nonprofit corporation engaged in whole or part in the collection or**
13 **treatment of wastewater.**

14 2. The public service commission shall not have jurisdiction over the construction,
15 maintenance or operation of the wastewater facilities, service, rates, financing, accounting or

16 management of any nonprofit sewer company.

Section 1. 1. Except as may be altered pursuant to section 2 of this act, a common sewer district established pursuant to chapter 204, RSMo, shall constitute the sole and continuing authority for the provision of the sewage treatment services within its corporate boundaries.

2. No public sewer district shall later be formed pursuant to chapter 204, RSMo, or chapter 249, RSMo, the boundaries of which shall encroach upon the corporate boundaries of any common sewer district then existing, nor shall any public sewer district extend sewage treatment services within the boundaries of another.

3. No private utility entity organized for the purpose of providing sewage treatment services shall operate or extend such services within the corporate boundaries of a common sewer district, other provisions of law pertaining to private utilities notwithstanding.

4. Nothing contained herein shall be construed to eliminate, dissolve or alter the corporate boundaries or existence of any public sewer district existing as of August 28, 2002, nor shall the provisions of this section be construed to eliminate, dissolve or alter any public utility tariffs existing as of August 28, 2002.

Section 2. 1. Whenever all or any part of the territory of any common sewer district organized pursuant to sections 204.250 to 204.470 or sections 1 to 17 of this act, RSMo, is or has been included by annexation within the corporate limits of a municipality, the board of directors of any such district shall have the power to contract with such municipality for operating the sewage system within such annexed area pursuant to section 250.010, RSMo, or the board of directors may, subject to the provisions of sections 3 and 4 of this act, lease, contract to sell, sell or convey, any or all of its sewer mains, plant or equipment located within such annexed area to such municipality and such contract shall also provide for the detachment and exclusion from such common sewer district of that part thereof located within the corporate limits of such city; provided, that in case of sale or conveyance, all bonds of the district, whether general obligation bonds constituting a lien on the property located within the district, or special obligation or revenue bonds constituting a lien on the income and revenues arising from the operation of the sewer system:

(1) Are paid in full; or

(2) A sum sufficient to pay all of such bonds together with interest accrued or to accrue thereon, together with other items of expense provided in such bonds, is deposited with the fiscal agent named in the bonds for the purpose of full payment; or

(3) Such city has entered into a firm commitment to pay in lump sum or installments not less than that proportion of the sum of all existing liquidated obligations and of all unpaid revenue bonds, with interest thereon to date, of such common sewer

22 district, as the assessed valuation of the real and tangible personal property within the area
23 annexed bears to the assessed valuation of all the real and tangible personal property
24 within the entire area of such district, according to the official county assessment of such
25 property as to December thirty-first of the calendar year next preceding; or

26 (4) Consent in writing is obtained from the holders of all such bonds.

27 2. In any such case in which the board of directors by agreement, leases, contracts
28 to sell, sells or conveys the property of the district within the annexed area to such a
29 municipality, an application shall be made by one of the contracting parties to the circuit
30 court originally incorporating such district, which application shall set forth a description
31 of the annexed area, that part thereof sought to be detached and excluded, a copy of the
32 agreement entered into by the parties, the facts concerning bondholders and their rights,
33 and requesting an order of the court approving or disapproving such contract.

34 3. Upon the filing of such application, the court shall set a time for the hearing
35 thereof and shall order a public notice setting forth the nature of the application, the
36 annexed area affected and sought to be detached and excluded, a description of the
37 property within the annexed area leased, contracted to be sold, or conveyed, and the time
38 and place of such hearing, to be published for three weeks consecutively, in a newspaper
39 published in the county in which the application is pending, the last publication to be not
40 more than five days before the date set for hearing.

41 4. If the court finds that the agreement protects the bondholders' rights and
42 provides for the rendering of necessary sewer service in the territory embracing the
43 district, then such agreement shall be fully effective upon approval by the court. Such
44 decree shall also thereupon vest in said city the absolute title, free and clear of all liens or
45 encumbrances of every kind and character, to all tangible real and personal property of
46 such common sewer district located within the part of such district situated within the
47 corporate limits of such city, with full power in such city to use and dispose of such tangible
48 real and personal property as it deems best in the public interest.

Section 3. 1. Whenever any city owning a sewage or sewer collection system
2 extends its corporate limits to include any part of the area in a common sewer district, and
3 the city and the board of directors of the district are unable to agree upon a service, lease
4 or sale agreement, or are unable to proceed pursuant to section 2 of this act, then upon the
5 expiration of ninety days after the effective date of the extension of the city limits, that part
6 of the area of the district included within the corporate limits of the city may be detached
7 and excluded from the district in the following manner:

8 (1) A petition to detach and exclude that part of the common sewer district lying
9 within the corporate limits of the city as such limits have been extended, signed by not less
10 than twenty-five voters within the sewer district, shall be filed in the circuit court of the

11 county in which the district was originally organized;

12 (2) The court, being satisfied as to the sufficiency of the petition, shall call a special
13 election of the voters of the district at which election the proposal to detach and exclude the
14 part of the district lying within the corporate limits of the city shall be submitted to the
15 voters in the entire district for a vote thereon. The election shall be conducted within the
16 district by the election authority;

17 (3) The ballot shall briefly state the question to be voted on;

18 (4) In order to approve the detachment and exclusion of any part of the area in a
19 common sewer district, the proposal shall require the approval of not less than a majority
20 of the voters voting thereon;

21 (5) The election authorities shall thereafter promptly certify the result to the circuit
22 court. The court shall thereupon without delay enter a decree detaching and excluding the
23 area in question located within the corporate limits of the city from the sewer district;
24 except that before the decree detaching and excluding the area becomes final or effective,
25 the city shall show to the court that it has assumed and agreed to pay in lump sum or in
26 installments not less than that proportion of the sum of all existing liquidated general
27 obligations and of all unpaid revenue bonds and interest thereon to date, of the sewer
28 district as the assessed valuation of the real and tangible personal property within the area
29 sought to be detached and excluded bears to the assessed valuation of all of the real and
30 tangible personal property within the entire area of the district, according to the official
31 county assessment of property as of December thirty-first of the calendar year next
32 preceding the date of the election, and in addition thereto that the city has assumed and
33 agreed to assume or pay in a lump sum all contractual obligations of the sewer district that
34 are greater than twenty-five thousand dollars for debt that pertains to infrastructure, fixed
35 assets or obligations for the purchase of sewer, and to pay the court costs;

36 (6) The decree shall thereupon vest in the city the absolute title, free and clear of
37 all liens or encumbrances of every kind and character, to all tangible real and personal
38 property of the common sewer district located within the part of the district situated within
39 the corporate limits of the city with full power in the city to use and dispose of the tangible
40 real and personal property as it deems best in the public interest;

41 (7) If the proposal fails to receive the approval of the voters the question may be
42 again presented by another petition and again voted on, but not sooner than six months;

43 (8) Any and all sums paid out by the city under this section, other than the costs of
44 the election, shall be administered by the circuit court for the benefit of the holders of the
45 then existing and outstanding bonds of the district, and the remainder of such sums, if any,
46 shall be delivered to the district to be expended in the operation, maintenance and
47 improvement of its sewer distribution system.

48 **2. Upon the effective date of any final order detaching and excluding any part of**
49 **the area of any common sewer district, or leasing, selling or conveying any of the sewer**
50 **mains, plant or equipment therein, the circuit court may, in the public interest, change the**
51 **boundaries of the common sewer district without further petition being filed with the court**
52 **to do so.**

Section 4. 1. Competition to collect and treat sewage, as between and among
2 **common sewer districts, sewer corporations subject to public service commission**
3 **jurisdiction or circuit courts of this state, and municipally owned utilities may be displaced**
4 **by written territorial agreements, but only to the extent provided for in this section.**

5 **2. Such territorial agreements shall specifically designate the boundaries of the**
6 **sewer service area of each sewer supplier subject to the agreement; any and all powers**
7 **granted to a common sewer district by a municipality to operate within the corporate**
8 **boundaries of that municipality, and any and all powers granted to a municipally owned**
9 **utility to operate in areas beyond the corporate municipal boundaries of its municipality.**
10 **Where the parties cannot agree, they may, by mutual consent of all parties involved,**
11 **petition the public service commission to designate the boundaries of the sewer service**
12 **areas to be served by each party and such designations by the commission shall be binding**
13 **on all such parties. Petitions shall be made pursuant to the rules and regulations of the**
14 **commission governing applications for certificates of public convenience and necessity and**
15 **the commission shall be required to hold evidentiary hearings on all petitions so received.**
16 **The commission shall base its final determination upon a finding that the commission's**
17 **designation of sewer service areas is in the public interest.**

18 **3. Before becoming effective, all territorial agreements entered into pursuant to this**
19 **section, including any subsequent amendments to such agreements, or the transfer or**
20 **assignment of the agreement or any rights or obligations of any party to an agreement,**
21 **shall receive the approval of the public service commission by report and order.**
22 **Applications for commission approval shall be made and notice of such filing shall be given**
23 **to other sewer suppliers pursuant to the rules and regulations of the commission governing**
24 **applications for certificates of public convenience and necessity. Unless otherwise ordered**
25 **by the commission for good cause shown, the commission shall rule on such applications**
26 **not later than one hundred twenty days after the application is properly filed with the**
27 **secretary of the commission.**

28 **4. The commission shall hold evidentiary hearings to determine whether such**
29 **territorial agreements should be approved or disapproved. The commission may approve**
30 **the application if it shall after hearing determine that approval of the territorial agreement**
31 **in total is not detrimental to the public interest. Review of commission decisions under this**
32 **section shall be governed by sections 386.500 to 386.550, RSMo.**

33 **5. Commission approval of any territorial agreement entered into pursuant to this**
34 **section shall in no way affect or diminish the rights and duties of any sewer collector not**
35 **a party to the agreement to provide service within the boundaries designated in such**
36 **territorial agreement. In the event any sewer corporation which is not a party to the**
37 **territorial agreement and which is subject to the jurisdiction, control and regulation of the**
38 **commission pursuant to chapters 386, RSMo, and 393, RSMo, has sought or hereafter**
39 **seeks authorization from the commission to collect and treat sewage or construct, operate**
40 **and maintain sewer collection facilities within the boundaries designated in any such**
41 **territorial agreement, the commission, in making its determination regarding such**
42 **requested authority, shall consider the existence of any such territorial agreement and any**
43 **actual rendition of retail sewer collection services by any of the parties to such territorial**
44 **agreement shall preclude the commission from granting the requested authority.**

45 **6. The commission shall have jurisdiction to entertain and hear complaints**
46 **involving any commission-approved territorial agreement. Such complaints shall be**
47 **brought and prosecuted in the same manner as other complaints before the commission.**
48 **After hearing, if the commission determines that the territorial agreement is not in the**
49 **public interest, it shall have the authority to suspend or revoke the territorial agreement.**
50 **If the commission determines that the territorial agreement is still in the public interest,**
51 **such territorial agreement shall remain in full force and effect. Except as provided in this**
52 **section, nothing in this section shall be construed as otherwise conferring upon the**
53 **commission jurisdiction over the service, rates, financing, accounting or management of**
54 **any common sewer district or municipally owned utility, or to amend, modify or otherwise**
55 **limit the rights of common sewer districts to provide service as otherwise provided by law.**

56 **7. Notwithstanding the provisions of section 386.410, RSMo, the commission shall**
57 **by rule set a schedule of fees based upon its costs in reviewing proposed territorial**
58 **agreements for approval or disapproval. Responsibility for payment of the fees shall be**
59 **that of the parties to the proceeding as ordered by the commission in each case. The fees**
60 **shall be paid to the director of revenue who shall remit such payments to the state**
61 **treasurer. The state treasurer shall credit such payments to the public service commission**
62 **fund, or its successor fund, as established in section 33.571, RSMo. Nothing in this section**
63 **shall be construed as otherwise conferring upon the commission jurisdiction over the**
64 **service, rates, financing, accounting or management of any common sewer district or**
65 **municipally owned utility and except as provided in this section, nothing shall affect the**
66 **rights, privileges or duties of common sewer districts, sewer corporations subject to public**
67 **service commission jurisdiction or municipally owned utilities.**

68 **8. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,**
69 **that is created under the authority delegated in this section shall become effective only if**

70 it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if
71 applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable
72 and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,
73 to review, to delay the effective date or to disapprove and annul a rule are subsequently
74 held unconstitutional, then the grant of rulemaking authority and any rule proposed or
75 adopted after August 28, 2002, shall be invalid and void.

Section 5. 1. Whenever the governing body of any sewer district organized
2 pursuant to chapter 249, RSMo, shall deem it necessary, convenient or advisable for the
3 operation and management of such district to convert the method of operation and
4 management of such district to that provided by chapter 204, RSMo, said district may be
5 reorganized as provided in this section.

6 2. The county commission, upon its own initiative, may, and the governing body of
7 the district organized pursuant to chapter 204, RSMo, shall, upon receipt of a petition
8 signed by twenty-five or more persons residing within the boundaries of the district or two
9 thirds of the persons residing within the boundaries of the district, whichever number is
10 smaller, file with the circuit court of the county in which the district is located a petition
11 setting forth the reasonableness or necessity for changing the operation and management
12 of the district and a prayer for such further action as may be necessary to change the
13 operational authority of the district.

14 3. The court shall fix a time at which it will hear the petition or any objections
15 thereto, and it shall be the duty of the clerk of the circuit court to cause a notice to be
16 published in a newspaper of general circulation in the county where the proceedings are
17 pending for three consecutive weeks before the court date, which notice shall state the
18 purpose of the hearing.

19 4. If upon the hearing of the petition and objections, the court shall find that a
20 change in the statutory authority for the operation and maintenance of the district is
21 necessary or reasonable, or will be of public utility or benefit, the court shall find in favor
22 of the petitioners and shall render its decree to that effect. If the court shall find that such
23 a change is not necessary or will not be of public utility or benefit and will not be advisable,
24 then it shall find against the petitioners and shall dismiss the petition.

Section 6. Sections 6 to 17 of this act are known and may be cited as the "Sanitary
2 Sewer Improvement Subdistrict Act", and the following words and terms, as used in these
3 sections, mean:

4 (1) "Acquire", the acquisition of property or interests in property by purchase, gift,
5 condemnation or other lawful means and may include the acquisition of existing property
6 and improvements already owned by the district;

7 (2) "Assess or Assessment", a unit of measure to allocate the cost of an

8 improvement among property or properties within a subdistrict based upon an equitable
9 method of determining benefits to any such property resulting from an improvement;

10 (3) "Consultant", engineers, architects, planners, attorneys, financial advisors,
11 accountants, investment bankers and other persons deemed competent to advise and assist
12 the governing body of the district in planning and making improvements;

13 (4) "Cost", all costs incurred in connection with an improvement, including, but
14 not limited to, costs incurred for the preparation of preliminary reports, preparation of
15 plans and specifications, preparation and publication of notices of hearings, resolutions,
16 ordinances and other proceedings, fees and expenses of consultants, interest accrued on
17 borrowed money during the period of construction, underwriting costs and other costs
18 incurred in connection with the issuance of bonds or notes, establishment of reasonably
19 required reserve funds for bonds or notes, the cost of land, materials, labor and other
20 lawful expenses incurred in planning, acquiring and doing any improvement, reasonable
21 construction contingencies, and work done or services performed by the district in the
22 administration and supervision of the improvement;

23 (5) "District or sewer district", any public sanitary sewer district organized and
24 operated pursuant to chapter 204 or 249, RSMo, and any metropolitan sewer district
25 organized pursuant to the constitution of this state;

26 (6) "Improve", to construct, reconstruct, maintain, restore, replace, renew, repair,
27 install, equip, extend or to otherwise perform any work which will provide a new sanitary
28 sewer facility or enhance, extend or restore the value or utility of an existing sanitary sewer
29 facility;

30 (7) "Improvement", any one or more sanitary sewer facilities or improvements
31 which confer a benefit on property within a definable area and may include or consist of
32 a reimprovement of a prior improvement; improvements include, but are not limited to,
33 the following activities:

34 (a) To acquire property or interests in property when necessary or desirable for
35 any purpose authorized by sections 6 to 17 of this act;

36 (b) To improve sanitary sewers, wastewater treatment plants, lagoons, septic tanks
37 and systems and any and all other sanitary sewer and waste water collection and
38 treatments systems of any type, whether located on improved or unimproved public or
39 private property, the general object and nature of which will either preserve, maintain,
40 improve or promote the general public health, safety and welfare, or the environment,
41 regardless of technology used;

42 (8) "Sanitary sewer improvement subdistrict", an area of a district with defined
43 limits and boundaries which is created by petition pursuant to sections 6 to 17 of this act
44 and which is benefited by an improvement and subject to assessments against the real

45 property therein for the cost of the improvement;

46 (9) "User fee", a fee established and imposed by a district for payment of an
47 assessment in period installments to pay for improvements made in a sanitary sewer
48 improvement subdistrict which benefit the property within such subdistrict that is subject
49 to the assessment.

Section 7. 1. To establish a sanitary sewer subdistrict, the governing body of the
2 district shall comply with the following procedure: the governing body of the district may
3 create a sanitary sewer subdistrict when a proper petition has been signed by four-sevenths
4 of the owners of record within such proposed subdistrict. The petition, in order to become
5 effective, shall be filed with the district. A proper petition for the creation of a sanitary
6 sewer subdistrict shall set forth the project name for the proposed improvement, the
7 general nature of the proposed improvement, the estimated cost of such improvement, the
8 boundaries of the proposed sanitary sewer subdistrict, the proposed method or methods
9 of financing the project including the estimated amount of and method for imposing user
10 fees against the real property within the district to pay for the cost of the improvements
11 and any bonds issued therefor, a notice that the names of the signers may not be
12 withdrawn later than seven days after the petition is filed with the district, and a notice
13 that the final cost of such improvement and the amount of revenue bonds issued therefor
14 shall not exceed the estimated cost of such improvement, as stated in such petition, by more
15 than twenty-five percent.

16 2. Upon the filing of a proper petition with the district, the governing body may by
17 resolution or ordinance determine the advisability of the improvement and may order that
18 the district be established and that preliminary plans and specifications for the
19 improvement be made. Such resolution or ordinance shall state and make findings as to
20 the project name for the proposed improvement, the nature of the improvement, the
21 estimated cost of such improvement, the boundaries of the sanitary sewer subdistrict, the
22 proposed method or methods of imposing user fees within the district, and shall also state
23 that the final cost of such improvement within the sanitary sewer subdistrict and the
24 amount of general or special revenue bonds issued therefor shall not, without a new
25 petition, exceed the estimated cost of such improvement by more than twenty-five percent.

26 3. The boundaries of the proposed subdistrict shall be described by metes and
27 bounds, streets or other sufficiently specific description.

Section 8. As an alternative to all other methods provided by law or charter, the
2 board of trustees of any sewer district organized and operated pursuant to chapter 204 or
3 249, RSMo, or any metropolitan sewer district organized pursuant to the constitution of
4 this state, may make, or cause to be made, improvements which confer a benefit upon
5 property within a sanitary sewer improvement subdistrict pursuant to sections 6 to 17 of

6 this act. The board of trustees of such district may incur indebtedness and issue temporary
7 notes and general or special revenue bonds pursuant to sections 6 to 17 of this act to pay
8 for all or part of the cost of such improvements. An improvement may be combined with
9 one or more other improvements for the purpose of issuing a single series of general or
10 special revenue bonds to pay all or part of the cost of said subdistrict's improvements, but
11 separate funds or accounts shall be established within the records of the district for each
12 improvement project as provided in sections 6 to 17 of this act. Such district shall make
13 assessments and may impose user fees on the property deemed by the board of trustees to
14 be benefited by each such improvement project pursuant to sections 6 to 17 of this act in
15 addition to any other fees or charges imposed by the district for provision of services or
16 payment of debt. The district shall use the moneys collected from such assessments and
17 user fees to reimburse the district for all amounts paid or to be paid by it as principal of
18 and interest on its temporary notes and general or special revenue bonds issued for such
19 improvements.

Section 9. The portion of the cost of any improvement to be assessed or imposed
2 against the real property in a sanitary sewer subdistrict shall be apportioned against such
3 property in accordance with the benefits accruing thereto by reason of such improvement.
4 The cost may be assessed equally by lot or tract, or per front foot, or per square foot,
5 against property within the subdistrict or by any other reasonable assessment plan
6 determined by the board of trustees of the district which results in imposing substantially
7 equal burdens or share of the cost upon property similarly benefited. The board of
8 trustees of the district may from time to time determine and establish by ordinance or
9 resolution reasonable general classifications and formula for the methods of assessing or
10 determining the benefits.

Section 10. 1. After the board of trustees has made the findings specified in section
2 7 of this act and plans and specifications for the proposed improvements have been
3 prepared, the board of trustees shall by ordinance or resolution order assessments to be
4 made against each parcel of real property deemed to be benefited by an improvement
5 based on the revised estimated cost of the improvement or, if available, the final cost
6 thereof, and shall order a proposed assessment roll to be prepared.

7 2. The plans and specifications for the improvement and the proposed assessment
8 roll shall be filed with the district and shall be open for public inspection. Such district
9 shall thereupon, at the direction of the board of trustees, publish notice that the board of
10 trustees will conduct a hearing to consider the proposed improvement and proposed
11 assessments. Such notice shall be published in a newspaper of general circulation at least
12 once not more than twenty days and not less than ten days before the hearing and shall
13 state the project name for the improvement, the date, time and place of such hearing, the

14 general nature of the improvement, the revised estimated cost or, if available, the final cost
15 of the improvement, the boundaries of the neighborhood improvement district to be
16 assessed, and that written or oral objections will be considered at the hearing. At the same
17 time, the district shall mail to the owners of record of the real property made liable to pay
18 the assessments, at their last known post office address, a notice of the hearing and a
19 statement of the cost proposed to be assessed against the real property so owned and
20 assessed. The failure of any owner to receive such notice shall not invalidate the
21 proceedings.

Section 11. 1. At the hearing to consider the proposed improvements and
2 assessments, the board of trustees or their designated representative shall hear and pass
3 upon all objections to the proposed improvements and proposed assessments, if any, and
4 may amend the proposed improvements, and the plans and specifications therefor, or
5 assessments as to any property, and thereupon by ordinance or resolution the board of
6 trustees shall order that the improvement be made and direct that financing for the cost
7 thereof be obtained as provided in sections 6 to 17 of this act.

8 2. After the improvement has been completed in accordance with the plans and
9 specifications therefor, the board of trustees shall compute the final costs of the
10 improvement and apportion the costs among the property benefitted by such improvement
11 in such equitable manner as the board of trustees shall determine, charging each tract, lot
12 or parcel of property with its proportionate share of the costs, and by resolution or
13 ordinance, assess the final cost of the improvement or the amount of general or special
14 revenue bonds issued or to be issued therefor as assessments against the property described
15 in the assessment roll.

16 3. After the passage or adoption of the ordinance or resolution assessing the special
17 assessments, the district shall mail a notice to each property owner within the district
18 which sets forth a description of each tract, lot or parcel of real property to be assessed
19 which is owned by such owner, the assessment assigned to such property, and a statement
20 that the property owner may pay such assessment in full, together with interest accrued
21 thereon from the effective date of such ordinance or resolution, on or before a specified
22 date determined by the effective date of the ordinance or resolution, or may pay such
23 assessment in the form of user fees in periodic installments as provided in subsection 4 of
24 this section. Notice of the assessments together with a list of all properties assessed with
25 the subdistrict and of the assessment lien shall be filed with the recorder of deeds upon the
26 effective date of the ordinance or resolution, but failure to timely record such notice shall
27 not affect the validity of the assessments or liens thereunder. The district shall record
28 written notice of release of lien whenever an assessment is paid in full; the cost of recording
29 assessment notices and release of liens shall be includable in the assessment.

30 **4. The assessments shall be assessed upon the property and those not paid in full**
31 **as provided in subsection 3 of this section shall be payable in the form of user fees payable**
32 **in periodic and substantially equal installments as determined by the district for a duration**
33 **stated in the petition prescribed in section 7 of this act. All assessments shall bear interest**
34 **at such rate as the board of trustees determines, not to exceed the rate permitted for bonds**
35 **by section 108.170, RSMo. Interest on the assessment between the effective date of the**
36 **ordinance or resolution assessing the assessment and the date the first installment of a user**
37 **fee is payable shall be added to the first installment or prorated among all scheduled**
38 **installments.**

39 **5. Assessments not paid in full shall be collected and paid over to the district in the**
40 **form of user fees in the same manner as other district fees and charges are collected and**
41 **paid, or by any other reasonable method determined by the district.**

Section 12. No suit to set aside the assessments made pursuant to sections 9 to 11
2 **of this act or to otherwise question the validity of the proceedings relating thereto shall be**
3 **brought after the expiration of ninety days from the date of mailing of notice to property**
4 **owners of the assessments required by section 11 of this act.**

Section 13. 1. To correct omissions, errors or mistakes in the original assessment
2 **which relate to the total cost of an improvement, the board of trustees of the district may,**
3 **without a notice or hearing, make supplemental or additional assessments on property**
4 **within a sanitary sewer subdistrict, except that such supplemental or additional**
5 **assessments shall not, without a new petition as provided in section 7 of this act, exceed**
6 **twenty-five percent of the estimated cost of the improvement determined pursuant to**
7 **section 11 of this act.**

8 **2. When an assessment is, for any reason whatever, set aside by a court of**
9 **competent jurisdiction as to any property, or in the event the board of trustees finds that**
10 **the assessment or any part thereof is excessive or determines on advice of counsel in**
11 **writing that it is or may be invalid for any reason, the board of trustees may, upon notice**
12 **and hearing as provided for the original assessment, make a reassessment or a new**
13 **assessment as to such property.**

Section 14. An assessment authorized pursuant to sections 6 to 17 of this act, once
2 **determined and imposed, shall constitute a lien against such property until paid in full and**
3 **shall not be affected by the existence or enforcement of any other liens or encumbrances,**
4 **nor shall enforcement of an assessment lien have any effect on the validity or enforcement**
5 **of any tax lien or lien established by mortgage or deed of trust. An assessment lien**
6 **becomes delinquent when an assessment is not paid in full as prescribed by section 11 of**
7 **this act or when one or more periodic installments imposed by the district for an**
8 **assessment remain unpaid for a period of thirty days or more after notice of delinquency**

9 in payment is mailed to the last known owners of the property subject to assessment by
10 regular United States mail and by certified mail, return receipt requested, at their last
11 known address provided by such owners to the district and to the occupant of property
12 which is subject to assessment, if different from that of the owners. In the event any such
13 user fee remains unpaid after thirty days of the mailing of any such notice, the district shall
14 be entitled to petition the circuit court having jurisdiction to foreclose upon the assessment
15 lien by special execution sale of the property subject to the assessment for the unpaid
16 assessment plus reasonable attorney's fees, court costs and other reasonable costs incurred
17 by the district in collection. In any such suit, the district shall name all parties appearing
18 of record to have or claim an interest in the property subject to the unpaid assessment and
19 shall file a notice of lis pendens in connection with said action; in addition, the district may
20 obtain a judgment against last known owners of the property for any deficiency in payment
21 of the assessment and costs and fees made a part of the court's judgment.

Section 15. After an improvement has been authorized pursuant to section 7 of this
2 act, the board of trustees of the district may issue temporary notes of the district to pay the
3 costs of such improvement in an amount not to exceed the estimated cost of such
4 improvement, and such temporary notes may be issued in anticipation of issuance of
5 general or special revenue bonds of the district. The district may participate in any
6 governmentally sponsored bond pooling program or other bond program. Bonds may be
7 issued and made payable from general revenues of the subdistrict or district, or from
8 special revenues from designated properties within a subdistrict.

Section 16. A separate fund or account shall be created by the district for each
2 improvement project and each such fund or account shall be identified by a suitable title.
3 The proceeds from the sale of bonds and temporary notes and any other moneys
4 appropriated thereto by the board of trustees of the district shall be credited to such funds
5 or accounts. Such funds or accounts shall be used solely to pay the costs incurred in
6 making each respective improvement. Upon completion of an improvement, the balance
7 remaining in the fund or account established for such improvement, if any, may be held
8 as contingent funds for future improvements or may be credited against the amount of the
9 original assessment of each parcel of property, on a pro rata basis based on the amount of
10 the original assessment, and with respect to property owners that have prepaid their
11 assessments in accordance with section 11 of this act, the amount of each such credit shall
12 be refunded to the appropriate property owner, and with respect to all other property
13 owners, the amount of each such credit shall be transferred and credited to the district
14 bond and interest fund to be used solely to pay the principal of and interest on the bonds
15 or temporary notes and the assessments shall be reduced accordingly by the amount of
16 such credit.

Section 17. Any public sanitary sewer district organized and operated pursuant to chapter 204 or 249, RSMo, and any metropolitan sewer district organized pursuant to the constitution of this state, may enter into a cooperative agreement with a city or county for the purpose of constructing sanitary sewer system improvements pursuant to the provisions of the neighborhood improvement district act, sections 67.453 to 67.475, RSMo. Any such cooperative agreement, if approved by the governing bodies of the district and city or county, may include provisions for joint administration of projects, for the issuance of temporary notes and general obligation bonds by district, city or county, separately or jointly, and for the payment of such bonds by any source of funds or user fees in addition to funds from special assessments as provided for in sections 67.453 to 67.475, RSMo, and general ad valorem taxes, so long as all terms, conditions and covenants of any applicable bond indenture are complied with and so long as said notes and bonds are issued in compliance with general applicable law.

[204.251. Except as specifically provided in sections 204.251 to 204.257 and except for the alternative method of creation prescribed in the provisions of subsections 3 to 7 of section 204.250, sewer subdistricts created pursuant to the provisions of subsections 3 to 7 of section 204.250 shall in all respects be governed by the provisions of this chapter.]

[204.252. If it appears that the required percentage of the voters of the subdistrict voting on the proposition of incurring indebtedness submitted at an election pursuant to subsections 3 to 7 of section 204.250 were in favor of incurring such indebtedness, the election authority shall make an order reciting the holding of such election and the results thereof, both for and against the proposition, and if the result of the election as certified shall be in favor of incurring the indebtedness and issuing the bonds, or if the required percentage of the voters of the common sewer district have, prior to the creation of the subdistrict, voted in favor of incurring indebtedness and the amount of bonds issued under such authority does not exceed the amount approved by the voters at such election, then the board of trustees for the common sewer district may direct the issuance of such bonds to the amount of the debt authorized to be incurred, or any portion thereof, and shall either before or at the time of doing so provide for the collection of an annual ad valorem tax upon all of the taxable property within the subdistrict, which tax shall be sufficient to pay the interest on such indebtedness as it falls due, and also create a sinking fund for the payment of the principal thereof within twenty years from the date of contracting the same, such tax to be levied and collected as provided for in section 249.130, RSMo.]

[204.253. 1. The board of trustees of the common sewer district over the subdistrict formed under the alternative method of formation provided in subsections 3 to 7 of section 204.250 shall have no power to levy or collect any taxes for the payment of any indebtedness incurred by the common sewer district unless and until the voters of the common sewer district or the subdistrict shall have authorized the

6 incurring of indebtedness at an election. All expenses and indebtedness incurred by
7 the common sewer district on behalf of the subdistrict may be paid out of funds
8 which may be received by the common sewer district on behalf of the subdistrict
9 from the sale of bonds authorized by the voters of the subdistrict or the voters of the
10 common sewer district.

11 2. Nothing in this section shall be construed to prevent the board of trustees
12 from expending funds of the common sewer district for the benefit of the subdistrict
13 or to require the board of trustees to expend funds of the common sewer district for
14 the benefit of the subdistrict.]

[204.254. 1. The total amount of any bonds issued pursuant to sections
2 204.251 to 204.257 for improvements to the subdistrict of the common sewer district
3 shall not exceed ten percent of the assessed valuation of all taxable tangible property,
4 as shown by the last completed property assessment for state or local purposes,
5 within the common sewer district.

6 2. Such bonds shall be signed by the president of the board of trustees and
7 attested by the signature of the secretary of the board of trustees with the seal of the
8 district affixed thereto. The interest coupons may be executed by affixing thereon
9 the facsimile signature of the secretary of the district. The bonds may be sold under
10 the same conditions as are provided for the sale of county road bonds.

11 3. All bonds issued under sections 204.251 to 204.257 shall be registered in
12 the office of the state auditor as provided by law for the registration of bonds of cities
13 and in the office of the secretary of the board of trustees of the district in a book kept
14 for that purpose for registry, shall show the number, date, amount, date of sale, name
15 of the purchaser and the amount for which the bond was sold. The moneys of the
16 common sewer district shall be deposited by the treasurer of the common sewer
17 district in such bank or banks as shall be designated by order of the board of trustees
18 and the secretary of the common sewer district shall charge the treasurer therewith
19 and the moneys shall be drawn from the treasury upon warrants issued by the
20 common sewer district for the purposes for which the bonds were issued.]

[204.255. 1. It shall be the duty of the secretary of the board of trustees of
2 the common sewer district, on or before the fifteenth day of May in each year, to
3 certify to the common sewer district board of trustees the amount of money that will
4 be required during the next succeeding year to pay interest falling due on bonds
5 issued and the principal of bonds maturing in such year, and the amount necessary
6 to cover the estimated expenses of maintaining such sewer subdistrict system in good
7 condition, or renting or leasing of existing sewer facilities and of maintaining the
8 subdistrict with its necessary expenses.

9 2. On receipt of such certificate it shall be the duty of the board of trustees
10 of the common sewer district to levy such a rate of taxes upon all the taxable property
11 in the sewer subdistrict as will produce a sum of money sufficient for the purposes
12 aforesaid; provided, that the board of trustees of the common sewer district shall have
13 no authority to levy such tax until the voters of the common sewer district or
14 subdistrict shall have voted to incur such indebtedness.

15 3. On such order being made it shall be the duty of the board of trustees of

16 the common sewer district to cause such rate of taxation to be extended upon the tax
17 books against all the taxable property in the sewer subdistrict and the same shall be
18 collected and remitted to the board of trustees of the common sewer district by the
19 collector of the revenue of the county at the time, in the manner, and by the same
20 means as state, county, school and other taxes are collected and remitted. All of the
21 laws, rights and remedies provided by the laws of this state for the collection of state,
22 county, school and other taxes shall be applicable to the collection of taxes herein
23 authorized to be collected.]

2 [204.256. When a sewer subdistrict of a common sewer district has been
3 formed pursuant to the alternative method of creation prescribed in subsections 3 to
4 7 of section 204.250, the board of trustees of the common sewer district shall have
5 the same powers with regard to the subdistrict as for the common sewer district as
6 a whole, plus the following additional powers:

7 (1) To provide for the construction, extension, improvement, and operation
8 of such sewers, sewer systems, and treatment and disposal facilities, as the board
9 determines necessary for the preservation of public health and maintenance of
10 sanitary conditions in the subdistrict;

11 (2) For the purpose of meeting the costs of activities undertaken pursuant to
12 the authority granted in this section, to issue bonds in anticipation of revenues of the
13 subdistrict in the same manner as set out in sections 204.360 to 204.450, for other
14 bonds of the common sewer district. Issuance of such bonds for the subdistrict shall
15 require the assent only of four-sevenths of the voters voting on the question;

16 (3) To charge the costs of the common sewer district for operation and
17 maintenance attributable to the subdistrict, plus a proportionate share of the common
18 sewer district's costs of administration to revenues of the subdistrict and to consider
19 such costs in determining reasonable charges to impose within the subdistrict under
20 section 204.440;

21 (4) To provide for the treatment and disposal of sewage from the subdistrict
22 in or by means of facilities of the common sewer district not located within the
23 subdistrict with the concurrence of the subdistrict advisory board, in which case the
24 board of trustees shall also have authority to charge a proportionate share of the costs
25 of the common sewer district for operation and maintenance to revenues of the
26 subdistrict and to consider such costs in determining reasonable charges to impose
27 within the subdistrict under section 204.440;

28 (5) To add contiguous property to the subdistrict with the approval of at least
two-thirds of the landowners within such contiguous territory.]

2 [204.257. The board of trustees of the common sewer district, in its
3 discretion, may create an advisory board for the subdistrict to consist of five
4 members, each serving a term of two years. An authorized representative, not a
5 member of the common sewer district's advisory board under section 204.310, from
6 the sewer subdistrict, together with the representatives of each county having
7 territory within the subdistrict, may constitute the advisory board for the subdistrict.
8 The board of trustees of the common sewer district may keep the subdistrict advisory
board informed as to all phases of the planning and operations of the subdistrict, and

9 the subdistrict advisory board may make such recommendations to the common
10 sewer district advisory board as the subdistrict board deems advisable with regard to
11 the construction and operation of sewers and facilities in the subdistrict.]

2 [204.260. 1. The circuit court shall within thirty days after receiving the
3 petition appoint three disinterested persons, one of whom shall be a licensed civil
4 engineer or surveyor, as common sewer district commissioners to lay out and define
5 the boundaries of the proposed district.

6 2. The common sewer district commissioners may alter or amend the
7 boundaries of the proposed district as set forth in the petition so that it embraces all
8 of the area capable of being efficiently drained by the system of trunk sewers, or so
9 as to exclude from the district any part of the natural drainage area which is so
10 situated as not to be benefited by the proposed trunk sewers or treatment plants, and
11 for this purpose they shall have power to have made all surveys and maps necessary
12 to locate and describe the boundaries.

13 3. The common sewer district commissioners shall qualify by taking an oath
14 to faithfully and impartially perform their duties and when so qualified shall give
15 notice by publication at least five times, in one or more newspapers having a general
16 circulation in the proposed district, of the time and place where they will meet to
17 consider and establish the boundaries. The notice shall be given at least twenty days
18 prior to the meeting, and the meeting place shall be in the courthouse of the county
19 in which the major portion of the proposed district lies.

20 4. At the meeting the common sewer district commissioner first named in the
21 order of appointment shall preside, and all persons residing or owning real property
22 in the proposed district, or adjacent thereto, shall have the right to be heard as to the
23 location of the boundaries of the proposed district; and the common sewer district
24 commissioners or a majority of them after the hearing shall fix and determine the
25 boundaries of the proposed district.

26 5. The common sewer district commissioners may adjourn from day to day
27 until the hearings are complete, and for their services shall receive such
28 compensation as may be determined by the circuit court which appoints them. They
29 may employ a competent person as stenographer and clerk, whose compensation
shall be as set by the circuit court.]

2 [204.270. The commissioners shall make their report, accompanied by a map
3 or plan showing the boundaries of the proposed district in relation to the property
4 lines intersected or followed by them, also in relation to city or county boundaries,
5 to the court by which they were appointed, and shall thereupon be discharged by the
6 court. The report and map, if approved by the court, shall then be filed in the office
7 of the recorder of deeds for each county in which a portion of the proposed district
is situated and with the county commission of each such county.]

2 [204.280. 1. The circuit court shall by order direct the county commission
3 of any county partially within the proposed district to submit to the voters of the
4 proposed district the question of the organization and incorporation of the proposed
5 common sewer district, with boundaries as determined by the commissioners and
approved by the circuit court.

6 2. The county clerk of each county shall certify to the circuit court the results
7 of the election in that portion of the proposed district within his county.

8 3. If the circuit court finds that a majority of the votes cast on the question
9 in each county favored the incorporation of the proposed district, the court shall issue
10 a decree incorporating the area described in the commissioners' report as a common
11 sewer district. If the proposition is favored by a majority of those voting in the
12 county containing the major portion of the district but not by a majority voting in the
13 other county, the court shall change the boundaries to include only the area within
14 the one county and shall decree the incorporation thereof.

15 4. If the question fails to receive a majority of the votes cast in the county
16 containing the major portion of the proposed district, regardless of the results in the
17 election in the other county, the court shall dismiss the petition and tax the costs of
18 the proceedings and the election against the county which presented the petition.]

 [204.310. The representative of each subdistrict advisory board chosen
2 pursuant to section 204.571, together with the mayor or chief executive officer or the
3 authorized representative of every incorporated municipality and a representative
4 authorized in writing to act in that capacity of every subdistrict, which lies partially
5 within the district and which operates a sewage collection system which will
6 discharge sewage into the trunk sewers or the sewage facilities of the common sewer
7 district shall constitute an advisory board of the district. If there are three or fewer
8 municipalities and subdistricts the organization of an advisory board is optional at
9 the discretion of the board of trustees, and in such case all powers can be exercised
10 by the board of trustees without the concurrence of the advisory board. The advisory
11 board shall organize by electing one of its members as chairman and one as vice
12 chairman. The board of trustees shall keep the advisory board informed as to all
13 phases of the planning and operations of the district, and the advisory board shall
14 make such recommendations to the board of trustees as it deems advisable with
15 regard to the construction and operation of the sewers and facilities of the district.]

 [204.331. The county commission, or county legislature, may, in addition to
2 all powers herein granted or implied, create a subdistrict or subdistricts within the
3 county, which subdistrict, when created, shall be a body corporate and politic.
4 Creation of the subdistrict or subdistricts shall be in the manner hereinafter provided,
5 but in all other respects the administration and operation of the subdistricts shall be
6 in the manner provided by sections 249.430 to 249.660, RSMo. Either the county
7 commission or the members of the county legislature elected from all or a portion of
8 the subdistrict shall act as the governing body of the sewer subdistrict. Each
9 subdistrict so created shall, in addition to the powers granted by sections 249.430 to
10 249.660, RSMo, have the power and ability to contract with the common sewer
11 district created pursuant to sections 204.250 to 204.470, or with other subdistricts for
12 the collection, transportation and treatment of sewage or any function associated
13 therewith, including but not limited to engineering, construction, maintenance, repair,
14 and administrative services required for the collection, transportation, and treatment
15 of sewage.]

 [204.332. In lieu of the method of incorporation provided in sections 249.450

2 and 249.460, RSMo, subdistricts may be created in the following manner: Upon
3 written recommendation of the county highway engineer, county sewer engineer, or
4 director of public works; or upon petition of twenty percent or more of the registered
5 voters within the area which will be liable to assessment for the construction and
6 maintenance of a sewer system, setting forth generally the area to be included, the
7 county commission or county legislature shall adopt a resolution to establish the
8 subdistrict and describing generally the size and location of the proposed subdistrict.
9 The county commission or county legislature may designate the highway engineer
10 or director of public works as sewer engineer, or may retain the services of an
11 engineer or firm of engineers as sewer engineers. The sewer engineer shall advise
12 the county commission or county legislature with reference to proper boundaries of
13 any subdistricts to be established and shall also superintend the construction of the
14 sewers and the maintenance thereof and the apportionment of the cost thereof as
15 provided by law. The county commission or county legislature shall also request the
16 county clerk, clerk of the legislature, or other appropriate officer to appoint or
17 designate a deputy to keep the special records which are required for the proceedings
18 for the construction and maintenance of the sewer subdistricts or divisions. In
19 addition, the requirements of sections 249.070 and 249.480, RSMo, must be
20 complied with before a sewer subdistrict can be incorporated under the provisions of
21 sections 204.331 and 204.332.]

[204.440. The board of trustees shall impose, charge and collect a reasonable
2 charge from the sewer districts and municipalities, based upon sewage discharge as
3 shown by metering such flows, the volume of water used by the residential,
4 commercial, and industrial establishments' customers within the corporate limits of
5 such district or municipality, or other equitable measure. Such charges shall be fixed
6 at such rate or rates as are recommended to the board of trustees by the advisory
7 board; except that such rates shall ensure that the rates fixed will provide sufficient
8 revenues for the operation and maintenance of the system and the payment of
9 principal and interest on all outstanding revenue bonds as provided in sections
10 204.250 to 204.470.]

[204.565. One or more political subdivisions of this state not within a
2 common sewer district formed pursuant to sections 204.250 to 204.470 may be
3 joined as an unincorporated subdistrict to such common sewer district, regardless of
4 whether such political subdivision lies in the natural drainage area or basins of such
5 district, in the following manner: The governing body of any such political
6 subdivision, together with the trustees of the common sewer district, may petition the
7 circuit court having jurisdiction over the major portion of the area to be joined to the
8 common sewer district as the proposed subdistrict for extension of the boundaries of
9 the common sewer district to include as a subdistrict the area within the political
10 subdivision described in the petition. The petition shall also set forth a name for the
11 proposed subdistrict, shall state the purposes for which such subdistrict of the
12 common sewer district is to be created, shall set forth the boundaries of the proposed
13 subdistrict, and shall have a map of the proposed subdistrict attached thereto.]

[204.567. The circuit court with jurisdiction over the formation of a sewer

subdistrict and extension of the boundaries of a common sewer district to include such subdistrict pursuant to section 204.565 shall, within thirty days after receiving the petition, schedule a public hearing on the petition. The clerk of the circuit court having such jurisdiction shall give notice of the time and the place of the public hearing by publication at least once each week for three consecutive weeks in one or more newspapers having a general circulation in the proposed subdistrict and in the common sewer district. Such notice shall state that the subdistrict will, upon its formation, be a subdistrict of the common sewer district, which will be identified by name, and shall describe either the boundaries of the proposed subdistrict or the area to be included within the proposed subdistrict. If the court shall find formation of such subdistrict reasonable or necessary, the court shall enter its decree extending the boundaries of the common sewer district, declaring the area to be a sewer subdistrict of the common sewer district, and approving the map submitted by the petitioners. The decree and map shall then be filed by the circuit clerk in the office of the recorder of deeds for each county in which any portion of such subdistrict and of the common sewer district is situated and with the county commission or county legislature, as the case may be, of each such county.]

[204.569. When an unincorporated sewer subdistrict of a common sewer district has been formed pursuant to sections 204.565 to 204.573, the board of trustees of the common sewer district shall have the same powers with regard to the subdistrict as for the common sewer district as a whole, plus the following additional powers:

(1) To enter into agreements to accept, take title to, or otherwise acquire, and to operate such sewers, sewer systems, treatment and disposal facilities, and other property, both real and personal, of the political subdivisions included in the subdistrict as the board determines to be in the interest of the common sewer district to acquire or operate, according to such terms and conditions as the board finds reasonable, provided that such authority shall be in addition to the powers of the board of trustees pursuant to section 204.340;

(2) To provide for the construction, extension, improvement, and operation of such sewers, sewer systems, and treatment and disposal facilities, as the board determines necessary for the preservation of public health and maintenance of sanitary conditions in the subdistrict;

(3) For the purpose of meeting the costs of activities undertaken pursuant to the authority granted in this section, to issue bonds in anticipation of revenues of the subdistrict in the same manner as set out in sections 204.360 to 204.450, for other bonds of the common sewer district. Issuance of such bonds for the subdistrict shall require the assent only of four-sevenths of the voters of the subdistrict voting on the question, and the principal and interest of such bonds shall be payable only from the revenues of the subdistrict and not from any revenues of the common sewer district as a whole;

(4) To charge the costs of the common sewer district for operation and maintenance attributable to the subdistrict, plus a proportionate share of the common sewer district's costs of administration to revenues of the subdistrict and to consider

28 such costs in determining reasonable charges to impose within the subdistrict under
29 section 204.440;

30 (5) With prior concurrence of the subdistrict's advisory board, to provide for
31 the treatment and disposal of sewage from the subdistrict in or by means of facilities
32 of the common sewer district not located within the subdistrict, in which case the
33 board of trustees shall also have authority to charge a proportionate share of the costs
34 of the common sewer district for operation and maintenance to revenues of the
35 subdistrict and to consider such costs in determining reasonable charges to impose
36 within the subdistrict under section 204.440.]

[204.571. An authorized representative, not a member of the common sewer
2 district's advisory board under section 204.310, from each political subdivision which
3 lies partially within a sewer subdistrict formed pursuant to sections 204.565 to
4 204.573 and which operates or is served by a sewage collection system, together with
5 the representatives of all other such political subdivisions and of each county having
6 territory within the subdistrict, shall constitute an advisory board for the subdistrict.
7 The advisory board shall organize by electing one of its members as chairman, one
8 as vice chairman, and one as a representative to the common sewer district's advisory
9 board formed pursuant to section 204.310. The board of trustees of the common
10 sewer district shall keep the subdistrict advisory board informed, either directly or
11 through the district advisory board, as to all phases of the planning and operations of
12 the subdistrict, and the subdistrict advisory board shall make such recommendations
13 to the common sewer district advisory board as the subdistrict board deems advisable
14 with regard to the construction and operation of sewers and facilities in the
15 subdistrict.]

[204.573. A majority of the political subdivisions within a sewer subdistrict
2 formed pursuant to sections 204.565 to 204.573 and entitled to representation on that
3 subdistrict's advisory board under section 204.571, together with the board of trustees
4 of the common sewer district of which the subdistrict is a part, may petition the
5 circuit court in which such subdistrict was formed for extension of the boundaries of
6 such subdistrict and common sewer district within one or more of the political
7 subdivisions or to include all or a part of other political subdivisions, which political
8 subdivisions must also join in such petition. The petition shall state the purposes for
9 which the subdistrict is to be expanded and shall have a map of the subdistrict,
10 including the proposed expansion, attached thereto. The court shall schedule a public
11 hearing and notice shall be afforded in the same manner as provided in section
12 204.567. If the court shall find such expansion is reasonable or necessary, the court
13 shall enter a decree extending the boundaries of the common sewer district and the
14 sewer subdistrict, declaring such area to be a part of the sewer subdistrict and
15 common sewer district, and approving the map submitted by the petitioners. The
16 decree and map shall then be filed in the same manner as prescribed in section
17 204.567.]